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Atlantic Roundtable on Entrepreneurship

Saint Mary's University
August 12 - 13, 1996
Report

Co-Chairpersons

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CONTENTS

		PAGE
Executive Summary		3
Potential Action Steps for Governments, Business, Education Sectors		4
Purpose		5
Objectives		5
Background		5
Programme		5
Reception and Dinner		6
The Roundtable, Tuesday, August 13		7
1.	Awareness/Promotion	8
2.	Entrepreneurship Education and Training	10
3.	Support Services for SMEs	11
4.	Entrepreneurial Management Skills Development through mentoring and business networks	13
5.	Meeting the Needs of Target Groups	14
6.	Co-ordination of Effort Impact	15
Wrap-up		17
Conclusion		17
Appendix		18

EXECUTIVE SUMMARY OF THE ROUNDTABLE

- Governments at all levels have a leadership role to play in advocating and promoting entrepreneurship and through partnerships with other stakeholders in helping shape a shared vision of the region.
- Governments can assist in creating a climate that is supportive of business, that encourages risk-taking and through the tax structure rewards the wealth creation of the business sector.
- Entrepreneurship is not the same as job creation.
- Governments do not create jobs, so they should be careful in their regional programmes of assistance and subsidies not to reinforce dependency, which can breed hostility to entrepreneurship and distort the development and growth of local businesses in the region.
- A broader and co-ordinated communication strategy is necessary to promote a pro-business culture shift, so that all segments of the population accept that business and wealth creation are essential ingredients to the economic development of the region.
- All stakeholders - government, education and business - have a responsibility for rethinking their roles and committing themselves to framing policies to operationalize entrepreneurship and its role in economic development.
- The K-12 school system, by embedding the concepts of the entrepreneurial spirit and risk-taking into the curriculum and the life of the school, is a key element in achieving a culture shift and in developing, in the eyes of our youth, entrepreneurship as a viable career option.
- Universities and Community Colleges can play key roles in the provision of skills and practical experience to both the business community and the teachers in our school system.
- There should be greater co-ordination and a coherent strategy on entrepreneurship education in all of its aspects.
- Mentoring programmes and the development of peer partnerships and networks of business people are important ingredients to assist survival and growth.
- We should profile our business owners and leaders as role models and celebrate their many successes.
- Support services need to be tailored to the pre-start-up, start-up, survival and growth stages of business as well as customized to meet the needs of target groups, including physically challenged, women, youth, blacks, First Nations, redundant employees, etc.

POTENTIAL ACTION STEPS FOR GOVERNMENTS - BUSINESS - EDUCATION SECTORS

1. Undertake a study of the impact of federal, provincial, and municipal tax systems on the growth of small and medium-sized businesses? Is the recently introduced provincial tax on a SME's equity capital base creating an adverse impact on growth? Is the employment tax creating a disincentive to the creation of additional jobs within existing SMEs?

2. Develop a pervasive promotions strategy to build a stronger "entrepreneurial culture". The communications campaign has to be large enough to reach every-day people on a wide spread mass media way. Devise ways to create local heroes of our local entrepreneurs and use them in the advancement of the entrepreneurial culture.

3. Foster a stronger relationship between the various levels of the education system (universities, community colleges, K-12) to develop a strategic and co-ordinated approach to entrepreneurship education. This could be facilitated by the hosting of a pan-Atlantic Forum on Entrepreneurship Education which would bring together all the players for a 2.5 day conference to build bridges.

4. Develop a strategy for making better use of award winning small business owners and entrepreneurs. Capitalize on the celebration of entrepreneurs. Use the members of the ACEAA Academy of Entrepreneurs, the Entrepreneur Of The Year Institute, the BDC Young Entrepreneur of the Year and the Canadian Woman Entrepreneur of the Year Awards to promote entrepreneurship among others and to transfer success strategies to other emerging SME owners.

5. Develop an approach to the Faculties of Education in the regional universities to offer a course in Entrepreneurship Education as a way of pre-service orientation to the teaching of entrepreneurship in the schools.

6. Develop an approach to work with the Business Schools in the regional universities to refocus teaching in the area of entrepreneurial leadership, instead of corporate management.

7. Government should reframe its agenda in terms of what it is trying to achieve with SME development. The focus should be on "opportunity creation" or "wealth creation" and not job creation as the ultimate objective.

8. Determine if there is a gap in support services to assist existing small firms to acquire the skills to manage their businesses into first stage growth. Make growth training more accessible.

9. Consider the concept of an Excellent Company Programme, or an Experience Exchange to put the very best in touch with the very best for purposes of mentoring and sharing experience.

10. Develop links between corporations and small firms to transfer learning (corporate mentoring program).

11. Consider the concept of a program for CEO's of firms with under 100 employees (leadership and growth skills).

12. Develop a systematic mentoring programme for entrepreneurs at various stages of development using corporate leaders and entrepreneurs. (Tie into the Excellent Company Programme concept and the idea of using members of the Entrepreneur Of The Year Institute.)

13. Several research questions can be initiated:
    a. Find out why students do not want to become entrepreneurs to identify the "blockers".
    b. How do the survival rates of small businesses vary depending on their access to, and use of, assistance programs?

PURPOSE:

The Roundtable on Entrepreneurship was part of a series of focused senior-level discussions which have taken place over the past several months on themes relevant to the economic and regional development of Atlantic Canada.

Over forty corporate leaders, entrepreneurs, government officials, academics and representatives of key business support organizations and associations (the list of attendees is given in the Appendix) were invited to participate in a day long policy-oriented discussion of the future role of entrepreneurship in the Atlantic region's economic development and to examine the key issues, challenges and opportunities for public and private sector direction and action.

OBJECTIVES:

1. To focus on the critical role of small business and new business start-ups on the region's economy;
2. To identify key areas of activity to strengthen the region's entrepreneurial culture and to further enhance the development and growth of new, small, and medium-sized firms;
3. To clarify the role of business leaders, educators and governments in the promotion and development of continued entrepreneurship development activity;
4. To promote stronger co-ordination and co-operation of public and private sector partners in Entrepreneurship Development policy and programme activity.

BACKGROUND:

Between June 14th and 28th, the Atlantic Canada Opportunities Agency hosted Partners' Roundtables on Entrepreneurship Development in each of the four provinces. Over 40 delegates attended these one-day sessions to discuss needs and future directions in a number of defined Entrepreneurship areas. The reports of these partner roundtables were made available to delegates as was the OECD Paper, "Lessons Learned from the Implementation of the Entrepreneurship Development Strategy in Canada: The Case of the Atlantic Region," which had been presented at the June 1996 meeting in Paris.

PROGRAMME

August 12, 1996

6:00 p.m.	Reception hosted by Saint Mary's University and the Atlantic Canada Opportunities Agency (Private Dining Room, Loyola Building, Saint Mary's University) Welcome Remarks: Dr. Kenneth L. Ozmon, President, Saint Mary's University and Mr. Wynne Potter, Vice-President, ACOA - NS

6:45 p.m.	Dinner Introductory Remarks from Dr. Colin Dodds, Vice-President, Academic and Research, Saint Mary's University Presentation: Lessons Learned from the Implementation of an Entrepreneurship Development Strategy: The Case of Canada, OECD Paper tabled at the June 1996 meetings in Paris, Mr. Martin Abrams, Vice-President, ACOA - Ottawa
August 13, 1996	
8:30 a.m.	Introductory Remarks, Mr. Martin Abrams; Dr. Colin Dodds and Mr. Peter Estey, Vice-President, Regional Programming and Development, ACOA - Moncton
9:15 a.m.	Discussion and review of the major issues and themes (Based on background materials on each issue - 20 minutes on each issue)
12:15 p.m.	Buffet Lunch
1:15 p.m.	Converging on key areas for priority action Identifying stakeholder roles - private and public sector Identifying possible partnerships and alliances Committing to the next step - what can we individually and collectively do to address priority issues?
3:30 p.m.	Roundtable ends

Reception and Dinner, Monday, August 12th

The Roundtable opened with a reception and dinner on the evening of August 12th with welcoming remarks from Mr. Wynne Potter, Vice President of ACOA, Nova Scotia and Dr. K.L. Ozmon, President of Saint Mary's University. After the dinner, Colin Dodds introduced the keynote speaker, Mr. M. Abrams, who presented an overview of the OECD paper. He profiled trends in the Atlantic Canadian economy commenting on the shift to the service sector and the importance of small businesses. He highlighted the strong growth in business start-ups in the region which were well above the national average.

He identified three goals for the implementation of an entrepreneurship development strategy for the region of:

- job creation,
- economic diversification, and
- increased earned incomes

He addressed the initial constraints on developing a comprehensive entrepreneurship strategy for Atlantic Canada as being:

1) the lack of existing comprehensive models of entrepreneurship development.
2) the need for a paradigm shift so as to fit entrepreneurship into a regional development approach, and
3) the difficulty of achieving a buy-in to a long-term vision.

He went on to offer a comprehensive model of entrepreneurship development with a focus on:

- orientation and awareness,
- new enterprise creation, and
- survival and growth

and he addressed both the target groups identified and the tools for the implementation of the strategy.

The Roundtable, Tuesday, August 13

Colin Dodds, in opening the formal session of the Roundtable, welcomed the delegates and called on Mr. Martin Abrams, Vice President, ACOA Head Office, to make some opening remarks and a brief overview of his comments from the evening before.

Mr. Peter Estey, Vice-President Regional Programming and Development, ACOA Head Office, then briefed the Roundtable on how entrepreneurship fits into the strategic priorities of ACOA. He stressed that ACOA's strategy of business development had a number of priorities, including the improvement of business management practices, the need to develop the tourism sector and to increase access to capital for small businesses, the imperative of increasing trade, and the development of technology and its diffusion and commercialization. He commented that these priorities were linked together and not to be seen as separate issues. Indeed, he argued the development of an entrepreneurial culture and spirit will allow all of these priorities to be achieved in the Atlantic region.

Colin Dodds, Vice President Academic and Research at Saint Mary's University, then opened the discussion from the Chair by stating that this was an exciting time in the history of the region. He stated that we need to define new roles for federal, provincial and municipal governments and he felt that academic economists and policy makers did not understand the complexities of the process of economic growth. However, he argued what was very clear was the importance of the small business sector to the region - 95 per cent of the businesses in the region were small (less than 100 employees), and although there is a strong record of business start-ups, survival rates and growth rates are cause for concern.

Dr. Dodds stressed that the purpose of the Roundtable was to provide an informed and frank exchange of views on the issues of entrepreneurship so as to provide a policy framework for both private and public sectors and also inputs which could assist ACOA in framing its own strategies. He stated that he hoped that the forum would address the challenges and opportunities facing the region and Dr. Dodds commented that it was his own personal view that ACOA could provide the catalytic role for achieving change on a wide front which could lead to self-sustaining economic development in the region.

He referred back to the OECD paper which had identified three interlocking factors that could encourage business start-ups:

- motivation
- opportunity
- skills

Dr. Dodds then went on to outline the six key issues which had emerged from the provincial roundtables on which discussion did focus and which had been included in the briefing documentation. These were identified as:

1) Awareness/Promotion
2) Entrepreneurship Education and Training
3) Support Services for SMEs (pre-start-up, start-up, survival, growth)
4) Entrepreneurial/Management Skills Development through mentoring and business networks
5) Meeting the Needs of Target Groups (women, youth, physically challenged, black, aboriginal people, etc.)
6) Coordination of Effort and Public Policy Roles

1. Awareness/Promotion

Issue: What is the best way to generate the cultural shift required to build entrepreneurship? How can we promote and encourage high levels of business start-ups, survival and growth?

There was wide-ranging and spirited discussion on this issue.

The initial discussion centered on the importance of leadership from *all* sectors of government to provide a supportive climate that encourages risk taking and wealth creation for small and large business alike. In addition, it was felt that governments could play a leadership role in building partnerships with the private and education sectors so as to help develop policies that create an awareness and promotion of the importance and value of entrepreneurship to the future of the region.

It was stated by many participants that over time the Atlantic provinces had developed a dependency relationship on governments which had the effect of creating disincentives to growth, both in terms of employment and building a base of wealth. Participants felt that it was necessary to raise the awareness of the importance of the business sector as being a creator of wealth in the economy.

At the same time, participants felt that we were still shackled by our past to a class system of merchants, professions and bureaucrats which had bred a hostility to entrepreneurship. It was agreed that we needed a break away from the past and also from top-down government policies which focused on job creation and the provision of subsidies. On the issue of job creation, concern was expressed that governments tended to equate this with entrepreneurship. In fact, there was consensus from the Roundtable that the two terms were not the same, although it was recognized that the development of an entrepreneurial spirit would lead to the creation of jobs and economic growth in the region.

It was stressed by participants that governments do not create jobs, although concern was expressed that this was still not being accepted by some segments of the public sector. Indeed, there was a strong feeling among some of the participants that "jobs in the private sector are being taxed to create jobs in public sector." On the issue of subsidies, reservations were expressed that their use in various levels of government often competed with one another to attract "come-from-away" firms (CFAs) which could have the effect of giving a message to existing firms in the region that they should locate to another province to grow their own businesses.

The alternative approach discussed by participants required the co-ordination of the various levels of government and other stakeholders in developing a shared vision of the process of economic development. It was agreed that this would include the development of tax structures which did not penalize profits such as the five per cent equity tax on businesses doing more than $5 million in sales as well as the high marginal personal tax rates.

With the new fiscal realities of both federal and provincial governments, it was accepted that the expectations of the population of the role of governments are changing and it could be a timely initiative for Atlantic Canadians to appreciate that entrepreneurship is like a germinating seed - it needs a favourable climate for it to develop and mature.

Discussion then focused on how attitudes can be changed. At present, participants felt that there is too much "barren rock" and the challenge that we face is to create a more fertile environment and a culture of risk taking. There was also concern that we spend too much time emphasizing small business with the emphasis on "small", as this can be self-perpetuating and not be conducive to businesses looking to expand.

On the issue of promotion and awareness, contrasts were made among the experiences of the four Atlantic provinces. It was pointed out by a participant from New Brunswick, that its provincial government has developed a series of signs with such slogans as "Open for Business" and "Profiting Together". In the case of Newfoundland, it was commented that the province still had a long way to go in removing the image of the negativity of business. For Nova Scotia, reference was made to the G7 Summit and that there was still opportunities to profile businesses in the region to an international audience.

However, it was agreed that, despite these awareness/promotion efforts, they are not pervasive enough as the message is still not trickling down onto "Main Street". Participants agreed that what is needed is a broader and more coherent communication campaign to promote local small business. There was a consensus that one way of promoting the pro-business culture and at the same time encouraging the entrepreneurial spirit, was to profile our local entrepreneurs as local heroes and role models in their contribution to their local communities. It was also agreed that if entrepreneurship could be promoted as a career option with the potential for a good lifestyle (a drawing card for the immigrant entrepreneur and for attracting businesses from other parts of Canada), then more people

might focus on the rewards. If the tax system were more business friendly, entrepreneurs would reinvest to generate more profits and growth.

It was accepted that there was enough blame to go around from all sectors of the economy and what was now necessary was for business and government not to fight with each other and blame each other for past mistakes, but rather to co-operate with each other to achieve the common goals of economic progress and an increase in earned incomes in the economy. The Greater Metro Business Partnership was hailed as a recent example of such an initiative. It was noted that it has been driven by the business community with the government, including ACOA, in a supportive role. It was further noted that Metro Halifax has one of the highest economic growth rates in the country.

2. Entrepreneurship Education and Training

Issue: Preparing the next generation of entrepreneurs and small business managers; exposing more students, at all levels, to entrepreneurship education; delivering entrepreneurship and self-employment training.

The discussion on this issue commenced with a participant, who is directly involved in entrepreneurship education, stating that, in his considered opinion, the education system was the key element in changing the culture to one which fosters and rewards the entrepreneurial spirit. He argued that entrepreneurship and the concept of risk taking has to be embedded in the education system and that the challenge is one of changing teaching strategies to be more focused on "learning by doing".

Discussion then ensued on the issue of entrepreneurship being seen as a career option and a way of life. The grade school system was seen as the place to motivate young people by infusing entrepreneurship into almost every course in the curriculum. It was reported that much has been done in developing entrepreneurship in the school curriculum with over 50,000 students involved in entrepreneurship classes in 1995-96 with half of these in Nova Scotia schools. It was predicted that for the upcoming school year, 35 - 40,000 Nova Scotia students would be involved in entrepreneurship education classes. It was agreed that to build a base of attitudes/values and characteristics which would provide the motivation of our youth and to link this with the opportunities and skill base, it is necessary for the education system to have partnerships with the private sector. Once more, the issue of role models came forward and it was stressed that teachers need to act as facilitators and, to be effective, need to be able to access community resources, including bankers and other support professionals.

Some of the Roundtable delegates commented on the fact that universities and community colleges were not seen as hot-beds for entrepreneurship. While participants accepted that business schools had an important role to play with the provision of Majors and Minors both within the bachelor's and master's degree programmes, as were available at Saint Mary's, there was a feeling

that in the standard business school curriculum, too much emphasis was still being placed on educating middle managers for the large corporations. Participants also referred to the services of business development centres funded by ACOA at Memorial, UPEI, Acadia, Sainte-Anne, Mount Saint Vincent and Saint Mary's and that these have given students useful hands-on experience as well as providing counselling on pre-start-ups and survival to the business community.

It was further agreed that universities should not be seen as the only avenues for the provision of entrepreneurship skills and that the community colleges can provide training in the practical areas of business. The important role of extending the business curriculum into the Faculties of Education was raised, as earlier discussions in the Roundtable had referred to the need for teachers to be facilitators in entrepreneurship education. It was agreed that this required training within the B.Ed programmes and ongoing training through M.Ed and Certificate programmes. However, some participants remarked on the apparent unreceptiveness of the Faculties of Education in the region to discuss these issues.

Participants argued for the need to develop a coherent strategy for all of the various levels of the education system, linking the K-12 to the community colleges and universities. The education sector, it was thought, could not only provide the skills through a variety of programmes, but could help inculcate the spirit of entrepreneurship.

Some of the participants who were entrepreneurs spoke of their own experience in starting businesses and how many of them had gained their education through the school of "hard knocks". In their opinion, motivation, the love of their business and the opportunity to develop a business were not sufficient. Training to develop skills not only at the outset of a new business, but an ongoing basis was seen as essential and it was agreed that this could increase the survival rates in the region and increase confidence levels amongst aspiring entrepreneurs and could also have the effect of increasing our competitiveness.

3. Support Services for SMEs

Issue: Identifying the needs of clients at all stages of development (pre-start-up, start-up, survival, growth, turnaround, succession) and ensuring business support organizations are in place to meet these needs and are qualified and competent to provide counselling, information and advice, referrals, and consulting.

Delegates focused on two questions:

- where do I get support and assistance, and
- who do I call?

It was noted by delegates that there is a whole range of financial services, mentoring services, support services as well as a wealth of literature available for potential entrepreneurs and those in

business at all stages of growth. Indeed, it was reported that there are about 700 programmes currently available.

One of the participants remarked that, from his experience of working in a small business support organization for a number of years, there was confusion from both the providers and the intended recipients. He suggested that business support professionals are not always able to see the difference or distinguish between an offer of appropriate service, depending on whether the client is in the pre-start-up stage, the start-up stage, the survival stage or the growth stage. As a result, the challenge facing service providers is one of attempting to develop services tailored to the diverse needs of the entrepreneurs at these different stages of development.

Concerns were raised as to the quality and experience of the counsellors and other support professionals for SMEs and the establishment of the Institute of Small Business Counsellors was profiled in terms of providing this quality assurance.

Two further challenges to the support services were identified:

- meeting the needs of rural areas, and
- entrepreneurship as a forced alternative

In meeting the needs of low populated areas, delegates recognized the lack of a critical mass and simply providing programme funds, without the support backup, was not sufficient. One successful initiative which was quoted in the Roundtable was the Canadian Bankers' partnership to foster entrepreneurial business management skills in the Sussex, New Brunswick area to help rural farm women to enhance their managerial skills. The use of developing programmes for more remote areas led to discussion of the use of the Internet as a way of bridging distance and isolation.

Turning to the issue of entrepreneurship as a forced option, delegates raised the point that many training and support programmes have been geared to developing business start-ups for segments of the population who have suffered from structural shifts in the economy with down-sizing, e.g. problems for the fishery and other resource sectors, and early retirement. As a result, the response from governments has been to establish services that provide "quick and dirty" solutions to becoming an entrepreneur. Yet the target groups typically have limited experience, little money and equity and often have a limited idea of what business they would like to start or what might have potential. The challenge for the counsellors in these situations is to help them work through their ideas and develop more viable opportunities. Once more, the discussion returned to the issue of the need for ongoing, life-long education and training services to provide the essential management training and skills for an entrepreneurship development strategy. Reference was made to the initiative of the Atlantic Chamber of Commerce and its partners with ACOA funding to develop a very successful TV series on How to Start Your Own Business, and other examples were given illustrating the range of programmes available.

Delegates debated the issue of where the support services should focus - pre-startup, startup, ongoing, etc. There was a feeling that in providing support services it is necessary to focus

particularly on the survival area and the Australian experience was cited here, of concentrating funds on those firms that have survived, and to have more trained business professionals as "small" business counselors. The reason for this is that some delegates felt that support services "kicked-in" too late as much of the services and programmes were attuned to business start-ups. Indeed, it was felt by some of the entrepreneur delegates that not enough was being done for firms which are trying to move into and beyond the first stage of growth and that there should be programmes on how to access their own capital and how to grow their own businesses. Participants argued that if we want to achieve growth we should be targeting growth-oriented businesses and making learning opportunities available to them and this could include bringing in experts from other regions of Canada as well as the rest of the world.

4. Entrepreneurial Management Skills Development through mentoring and business networks

Issue: Improving small business management and entrepreneurial skills though entrepreneur-to-entrepreneur networking and mentoring.

The concept of President Business Roundtables that are made up of entrepreneurs who have been in business for five to ten years was discussed. These groups have developed in New Brunswick and are now in Nova Scotia, including two in Halifax and one in Sydney, and are spreading to other provinces. It was reported that there are currently over 300 active companies participating in 24 roundtable groups. Through regular meetings, these groups provide an opportunity for members who are typically in their late 30s- mid 40s, with 10-20 employees, to use the diversity of experience and knowledge that the group has to help each other and also to provide an opportunity for mentoring among peers. Such groups, as they get to know each other, share their successes and do not hesitate to cite their failures so that they and others can learn from this. It was explained that the key success factor of this approach is "peer learning" and the developing bonds based on the "collective wisdom" of the group.

Another successful programme, that was discussed in the Roundtable, was the Mentoring Programme of the Business Development Bank of Canada which is attached to the new Micro-lending Programme. The Bank's findings are that access to mentoring services actually increases the new firm's chance of survival.

The issue of mentoring prompted a discussion on how to involve corporate leaders and entrepreneurs to become mentors, particularly as it was accepted as being important to have access to "best practice approaches" with experts both in the region and outside. To assist in this, delegates felt that governments can facilitate networking access to key business executives through their own network of contacts. Participants related their own experiences with facilitating networks and Roundtables and stated that they were of the opinion that large firms were more approachable than

many people might think in terms of being agreeable to talk to various business groups and provide a mentoring role to smaller firms.

Another issue that was developed in this part of the Roundtable was the need to put recent business immigrants in touch with the various business networks available so that they can develop their businesses in the region and not feel that they are excluded.

There was an agreement that it would be a useful policy initiative to develop an inventory of the expertise and experience that was available in the Atlantic region. This could extend across the whole spectrum of businesses and would, therefore, encompass great success in marketing products and services in a range of countries as well as the development of joint ventures and experience with new technologies. It was felt that this should be updated on a regular basis and disseminated potentially with Web technology.

5. Meeting the Needs of Target Groups (physically challenged, women, youth, blacks, First Nations, redundant employees, immigrant entrepreneurs, etc.)

Issue: Developing the entrepreneurial potential of sub-groups of the population who are under represented as entrepreneurs or who are in a good situation to start a business.

Various members of the Roundtable expressed the opinion that there are a number of obstacles to some of the under-represented groups conducting business in Canada. The needs of rural communities, immigrants entrepreneurs, women, youth, persons with disabilities, African-Canadians and First Nations were all discussed. In the case of people with disabilities, it was stressed by one representative that this is a very diverse group as it can range from hearing loss through to people with learning problems. The point was made that the costs of working can be high for certain segments of the physically challenged population as they may lose their support for medical expenses.

Low literacy rates amongst some segments of the disadvantaged populations in Atlantic Canada were raised as issues and reference back to the importance of role models for youth was made. The importance of funding sources for the under-represented groups was also discussed. This led to a lively discussion on the issue of screening of would be entrepreneurs in an attempt to pick "winners". Several participants felt that the problem lay more with those doing the picking and not the entrepreneurs. They argued that it is not the entrepreneurs that do not know how to do it, but rather the venture capitalists, other investors and counsellors who do not know how to pick them. This issue was developed further with the argument that we should be working with motivated people and "letting them make their own decisions" rather than judging ourselves whether they have what it takes. The contrary view was stressed by some delegates that we shouldn't waste resources on small business owners until they have actually crossed some hurdle points in their business, i.e. passed the survival stage. Once more the Australian model, which does that, was cited.

There was general consensus that entrepreneurship is a learned set of behavior and a learned set of skills just as in many other professions. It was agreed that the area support groups that were identified in Issue 4 above did have a key role in acting as facilitators in providing access to business opportunities, skills, networking, finance and training programmes to the target groups. It was stressed by some participants that sometimes judgmental decisions have to be made in terms of counselling and advising on the inappropriateness of particular start-ups given the experience of others and market conditions.

6. Co-ordination of Effort Impact

Issue: Working towards a common vision and pooling resources for greater impact.

The Roundtable focused on four expectations that entrepreneurs have from the public sector:

1) **knowledge**: people in government have to keep abreast of the leading edge issues and current information technology so that when entrepreneurs come seeking advice and assistance, they can offer an informed discussion as to both events at the macro and micro level in the economy.

2) **promotion**: entrepreneurs are looking for government departments to be sensitive to their needs and to promote their success, rather than to provide standard, and often unhelpful, bureaucratic responses.

3) **advocacy**: entrepreneurs are also looking for the government sector to be an advocate of entrepreneurship and to promote its critical role in the economy, and

4) **financial support**: they are also looking for the public sector to provide financial support where the market sector fails and also to provide pressure on banks and other funding agencies to accept more risk in the lending practices.

Delegates recognized that the government can no longer (thankfully) be the driving force in economic development. However, they did feel that all levels of government have a responsibility for working towards a long-term vision for the country, region and sub-sets of the region. To achieve a collective vision, it was agreed that it is essential to build partnerships between all levels of government and the business sector and educational institutions. Members of the Roundtable felt that there was often a lack of understanding among the various sectors and a credibility problem then ensued. Indeed, participants remarked that this had become apparent in the earlier part of the morning when it was clear that the different stakeholders - governments, education and the private sector - at the Roundtable had questioned their own roles and had been frank in their exchange of views.

One delegate did challenge the group to think in terms of not only what governments' role is and could be, but their own roles. For example, what do the universities plan to do to address

some of the gaps of provision; what do the banks plan to do; what do large corporations plan to do and what do entrepreneurs plan to do themselves?

Reference was made back to the plethora of programmes and support services and the need to co-ordinate these through partnerships and sharing of experiences. It was agreed that with a shared vision of the need for a strong business infrastructure in the region, then the survival and growth of business in Atlantic Canada can match the strong performance that has occurred in business start-ups.

WRAP-UP

The Chair asked that the representatives from the ACOA Regional Offices that were present to make a few comments. Karen Daley, ACOA - Newfoundland, described some of the activities her office is doing in partnership with the education system and community-based organizations to reinforce the "learning by doing" concept in the entrepreneurship area. She also suggested that we need to do more to introduce Student Venture Programmes to young people while they are still in grade school. One of the things that impressed her most during the Roundtable was the need to help facilitate the development of networks amongst existing entrepreneurs. This is an area where she will begin some developmental work in Newfoundland.

John Kavanagh, ACOA - Nova Scotia, stated that although we stressed the importance of awareness and promotion, there was still lots of work to be done to stimulate more young people to the point where they say "I want to be an entrepreneur." We have to facilitate the development of entrepreneurship through continuing partnerships with business support organizations.

The Chair asked Martin Abrams to offer some closing remarks. He stressed that there were four issues that had come out of the provincial Roundtables and the present Roundtable and these were:

1) **sustainability**: it is not sufficient to start a business, but is essential to maintain it over the long run and where possible to grow.

2) **irreversibility**: the process should be irreversible and that businesses and government in their partnership should recognize the importance of a long-run vision. He felt that we are not in a steady state yet and still had some way to go to achieve maturity in the emerging new economy.

3) **benchmarks**: Atlantic Canada needs to have benchmarks from the rest of Canada and more particularly, with increasing global competitiveness, international benchmarks so as to develop good business practices and processes.

4) **successes**: we need to build our self-confidence by recognizing and building on our successes.

CONCLUSION

Colin Dodds, in his closing remarks, stressed the need for us to look at entrepreneurship in its broadest definition and to find ways to develop more partnerships and co-ordination of support services. He stated that he felt there was a consensus that another meeting would allow delegates to advance their thinking about concrete actions, once they had received the Roundtable Report. Delegates agreed that if they were to meet again, they would like to be in a position to react to some concrete proposals or action plans for moving forward for the implementation of an entrepreneurship development strategy.

APPENDIX

- List of Attendees
- Background Material of the Provincial Roundtable circulated to participants of the Halifax Roundtable
- Transparencies of Mr. M. Abrams' after-dinner presentation

IMPLEMENTATION OF AN ENTREPRENEURSHIP DEVELOPMENT STRATEGY IN CANADA

THE CASE OF THE ATLANTIC REGION

GOALS

Job creation, Economic diversification, and increased Earned Incomes, through:

- **Increase in business start-up rate**
- **Increase in the number of new entrepreneurs and businesses**
- **Increase in the level of self-employment per capita**
- **Increase in the new business survival and growth rates**

[redacted]

[redacted]

Awareness/Information
Career Orientation
Understanding
Education/Exposure

[redacted]

Self-employment Training
Entrepreneurial Skills
Start-up Information
Counselling/Assistance

[redacted]

Skills for Existing Entrepreneurs
Competence/Skill
BusinessPractices/Performance
Diagnostic-Health Checks
Growth Programs

- **DEVELOP AWARENESS**
  Create more awareness of entrepreneurship as an employment option and attractive alternative

- **ENHANCE LEARNING**
  Increase opportunities for people to learn the process of becoming an entrepreneur and adapting a business

- **ENHANCE SMALL BUSINESS SUPPORT SERVICES**
  Provide access to entrepreneurship training and small business counselling opportunities at the local community level.

- **ENHANCE QUALITY OF SMALL BUSINESS SUPPORT**
  Offer training and professional development for practitioners who provide counselling and advice to pre and early stage entrepreneurs

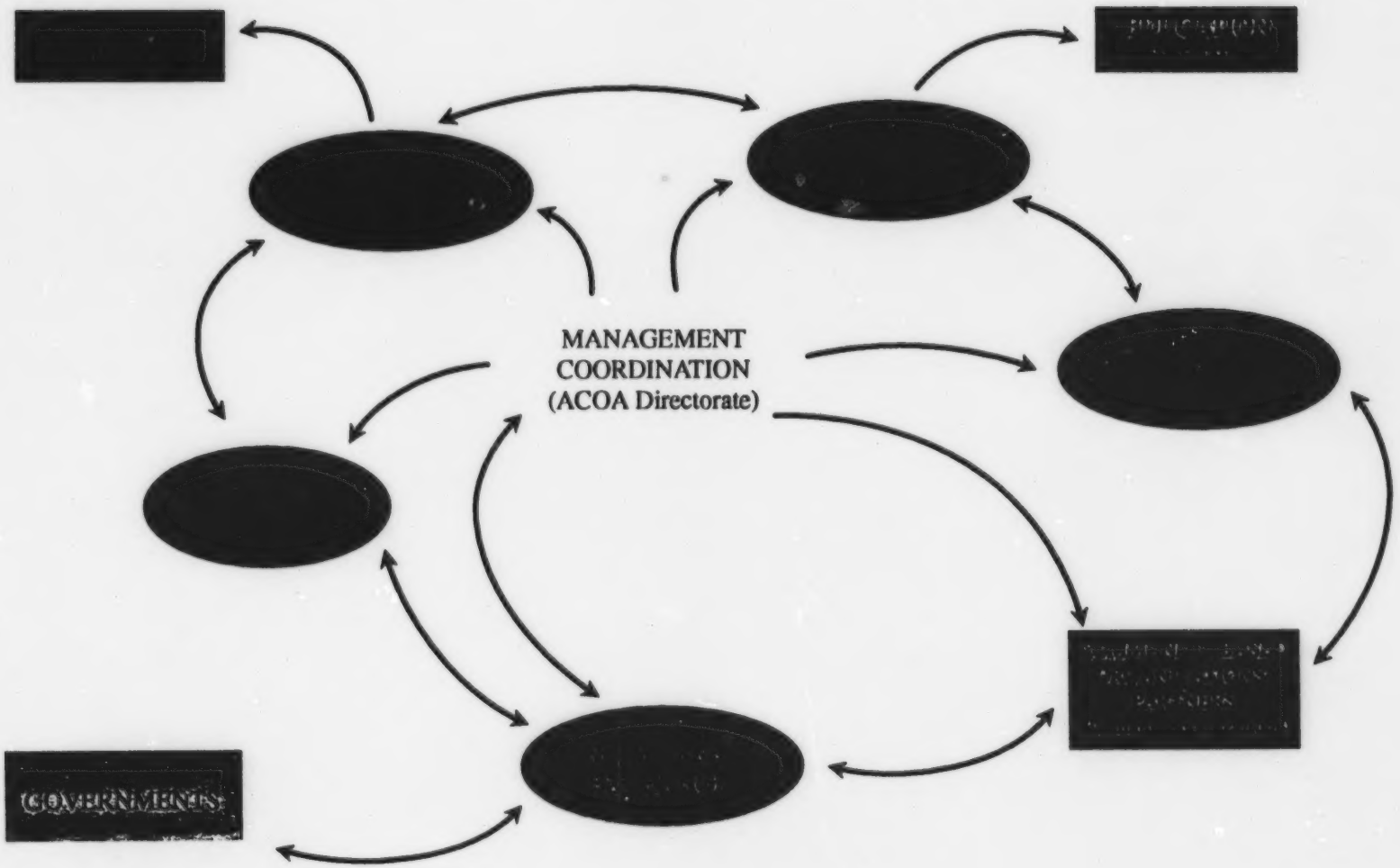
- **SUPPORT RESEARCH AND DISSEMINATION**
  Increase the base of knowledge about how entrepreneurship emerges within the economy and the role it plays

- **FACILITATE NETWORKING**
  Facilitate the development of entrepreneur network activities and exchanges

TARGET GROUPS

- Future Entrepreneurs
  - Women
  - Youth
  - Corporate Employees
  - Unemployed
  - Other groups, as identified
- Existing Entrepreneurs (20-30% of entrepreneurs have more than one business or have had more than one)
- Educational Institutions and Educators
- Corporations (banks, accounting firms, leaders, etc.)
- Public-at-large
- Business Community Outside Atlantic Region

TOOLS OF AN ENTREPRENEURSHIP DEVELOPMENT STRATEGY



- *Leading Edge* - MITV
- *Temps d'affaires* - Radio-Canada (T.V.)
- *Impact* (Radio)
- Ad campaigns

- Curriculum Development (K-12)
- Teacher Orientation
- Student Venture Programs
- Business Plan Competitions
- Resource Materials

- Entrepreneur Awards
- Profiles of Success

- *Posseder mon entreprise* and *Owning My Own Business* Series

- State of Small Business
- Home-based Business
- Growth Strategies
- Women Entrepreneurs
- Young Entrepreneurs
- Status of entrepreneurship education

- Policy Development
- Strategy/Frameworks
- Partnerships
- Local Program Development and Delivery
- Training/Professional Development ("entreprenology")
- Evaluation
- "Best Practices" publications
- Coordination of SBSOs
- Advocacy

- Self-employment Training
- Entrepreneurial Skills
- Counselling Services
- Mentoring Projects
- Financial Assistance (local)
- Information
- Certified Small Business Counsellors
- Monitoring

- Other Federal
- Provincial
- Municipal

- Conferences
- Seminars
- Association Activities
- Forums (policymakers)
- Partners Workshops

- Women's Enterprise Bureau
- Economic Commissions
- University Small Business Centres
- Association of Women Business Owners
- C.E.D.s

INITIAL OBSTACLES TO IMPLEMENTATION

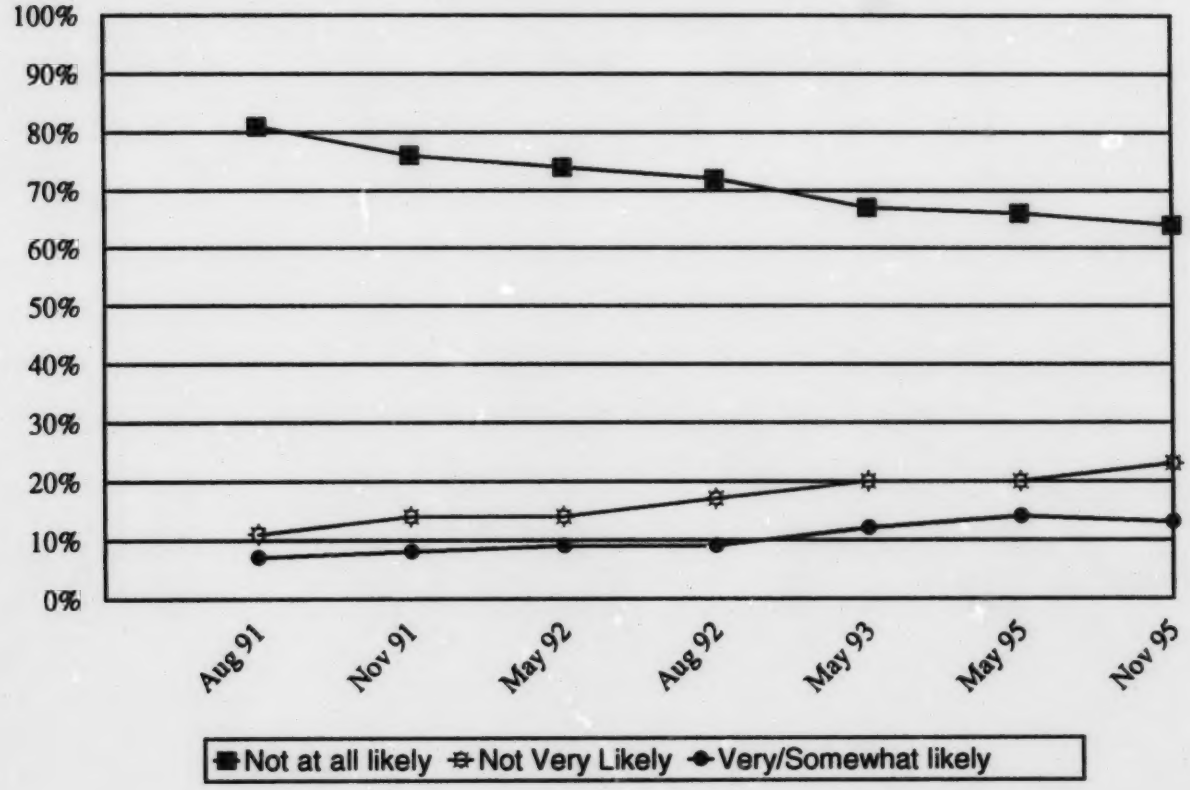
1. Lack of existing comprehensive models
2. Lack of clarity about what ED is
3. Prevailing myths
4. Paradigm shift in regional development approach
5. Lines of federal-provincial jurisdiction
6. Selling long-term vision

KEY SUCCESS FACTORS

- **Research current economy/SME environment**
- **Inventory of ED activity and small business support network**
- **Identify key ED champions and partners**
- **Develop ED Framework and Strategy**
- **Consult with key partners**
- **Establish Entrepreneurship Unit**

THE LIKELIHOOD OF STARTING A NEW BUSINESS

Percent of People expressing degrees of interest in starting a business, at points between August 1991 and November 1995, Atlantic Canada



REPLICATING APPROACH - ISSUES

- Level of economic development in the country/region
- Supportive regulatory environment (paper burden, tax, requirements)
- Availability of small business financing
- Small Business Registry (e.g., StatsCan)
- Small business support infrastructure and network
- Government policy focus on entrepreneurship and SME growth
- Recognizing needs of differentiated target groups
- It may take longer (patience/commitment to long-term)

- Building on region's strengths
- Employment in Primary Industries shifting to services
- Reduced dependence on federal transfers to provinces
- Strong growth in business start-ups
- 55% growth in number of businesses (1980-89)
- Firms under 50 employees account for 94% of net job creation

Atlantic Roundtable on Entrepreneurship
Saint Mary's University
Halifax, Nova Scotia

August 12-13, 1996

Summary of issues generated from the provincial Partners Roundtables on Entrepreneurship held in June 1996

Between June 14 and June 28, the Atlantic Canada Opportunities Agency hosted Partners' Roundtables on Entrepreneurship Development in each of the four provinces. Over 40 delegates attended these one-day sessions to discuss needs and future directions in a number of defined Entrepreneurship areas. Delegates represented business support organizations, community economic development organizations, governments, universities, educators, and business associations. The Draft reports reflecting the outcome of these roundtables identified a number of common issues and themes. We have summarized these issues below, in the form of questions, for your information and consideration. These are intended to provide background context for the August 13, 1996 Roundtable discussions at Saint Mary's University in Halifax.

Key Issues

The major areas of need identified at the provincial roundtables fall within six categories:

1. Awareness/Promotion
2. Entrepreneurship Education and Training
3. Support Services for SMEs (pre-start-up, start-up, survival, growth)
4. Entrepreneurial/Management Skills Development through mentoring and business networks
5. Meeting the Needs of Target Groups (women, youth, blacks, aboriginal, etc.)
6. Coordination of Effort and Public Policy Roles

The application of technology to small business support and development is a sub-theme which should be considered when discussing each of the above areas of need.

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Issue statements and **major questions or areas for priority action** for each of these categories follow.

1. Awareness/Promotion

Issue: More widespread promotion of entrepreneurship as a career/employment option; stronger entrepreneurial culture; more positive attitude towards entrepreneurship

Questions:

What is the best way to generate promotion of entrepreneurship?

How can we create and promote more successful entrepreneur **role-models**?

How can we promote entrepreneurship more pervasively at the community level? in rural areas? to the general public as well as sub-groups of the entrepreneurial population (women, youth, etc.)?

How can the **media** be encouraged to play a stronger role in promoting entrepreneurship?

What about a **"Participaction" approach?**

Is it possible to achieve more strategic and coordinated effort in the **development and dissemination of promotion materials?**

How can we measure **change in attitude** and the rate at which Atlantic Canadians are pursuing actions to start a business and the impact of promotion efforts?

2. Entrepreneurship Education and Training

Issue: Preparing the next generation of entrepreneurs and small business managers; exposing more students, at all levels, to entrepreneurship education; delivering entrepreneurship and self-employment training.

Questions:

Are we doing enough at each level of the education system? Are we doing the right things? How can we strengthen entrepreneurship focus in the elementary schools, junior high schools, senior high schools?

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How can we compromise the focus on **"enterprise" education with "entrepreneurship" education** (focusing on values, characteristics and principles versus business planning and venture skills)?

Can we develop a consistent approach to the **integration of entrepreneurship concepts, principles and practices across grade levels?** If so, what is the best mechanism? Can there be standard curriculum and agreement on learning objectives?

How can we **orient more teachers** in entrepreneurship education?

How can we develop more **business-education partnerships** to promote entrepreneurship within schools and among the student body?

How can universities develop entrepreneurship curriculum so that more students have an opportunity to learn the knowledge and skills of venture development?

How can universities respond more effectively to the challenge of offering **Entrepreneurship Leadership learning opportunities** to existing entrepreneurs who wish to grow their businesses?

How can we measure the impact of entrepreneurship education programs?

How can we complement what is going on the school system by supporting **student venture programs** (entrepreneurship co-op programs, small business apprenticeship, mentoring, etc.)?

How do we make entrepreneurship training more accessible and affordable to a growing number of people who are interested in starting businesses (shorter, "just-in-time" materials, use of on-line delivery, etc.)?

Can we develop **standards for entrepreneurship training materials and trainers** to ensure quality programs and materials are being delivered, especially in terms of effectiveness?

Can entrepreneurship training and management development programs be developed around **"core small business competencies"** which SME owners need at different stages of business development? If so, how can we develop these "core competency" modules and make them available through a variety of mediums.

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3. Support Services for SMEs

Issue: Identifying the needs of clients at all stages of development (per-start-up, start-up, survival, growth, turnaround, succession) and ensuring business support organizations are in place to meet these needs and are qualified and competent to provide counselling, information and advice, referrals, and consulting.

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Questions:

How can we enhance the level of service being provided to clients by developing **professional standards** for people working in small business support organizations?

How can we make better use of **client assessment tools** and **business performance diagnostic tools** to facilitate small business counselling/consulting? What about finding or developing these instruments which can be used in more standardized ways to improve efficiency in service delivery?

How can we ensure **rural areas** have equal access to small business support services?

How can we **improve business survival rates** through improved access to counselling? Linking financing to counselling services?

What about building more formalized and **on-line networks** of small business support organizations to promote sharing of information, experiences, approaches?

How can technology and on-line capabilities be used to provide services to small business clients (web-sites? chat groups? resource centres, on-line counselling? etc.). What is the potential here?

How can we provide better **follow-up and after care** to people going through self-employment training programs?

How can we **upgrade** all Business Development Corporations and Small Business Centres with **up-to-date technology and Internet access** for the benefit of their clients?

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4. Entrepreneurial/Management Skills Development through mentoring and business networks

Issue: Improving small business management and entrepreneurial skills through entrepreneur-to-entrepreneur networking and mentoring.

Questions:

How can we develop more peer learning programs and **self-help groups** for SME owners?

How can we **mobilize the talents of senior entrepreneurs and corporate leaders** in working with novice entrepreneurs and youth?

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How can we encourage more SME owners to take advantage of professional and consulting advice and the advice of more seasoned entrepreneurs?

What about **mentor training/orientation** programs?

How can corporations and universities work together to develop intensive programs in Entrepreneurial Leadership for SMEs who want to go for "growth"?

5. Meeting the Needs of Target Groups (women, youth, blacks, aboriginal, redundant employees, etc.)

Issue: Developing the entrepreneurial potential of sub-groups of the population who are under represented as SME owners or who are in a good situation to start a business.

Questions:

How can we work within these segments of the population to increase the self-employment rates?

What changes in programs, support services, and networks must be made to respond to specific needs?

How can these programs be funded?

What potential is there for corporate in-house programs to develop spin-off entrepreneurs?

6. Coordination of Effort Impact

Issue: Working towards a common vision and pooling resources for greater impact

Questions:

What is the appropriate **public policy role** in entrepreneurship? What should **federal government** be doing? What should **provincial governments** be doing?

What are the respective roles of corporations, successful entrepreneurs, banks, governments, universities, educators, business associations and business support organizations in supporting the objectives of entrepreneurship development?

Is it possible to pool resources in support of entrepreneurship development across the region for the benefit of people in the four provinces?

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Can economies of scale be achieved through coordinated approaches to entrepreneurship education, funding programs, use of common resources and tools, federal-provincial government programs, etc.?

How can we develop more private-public sector partnerships in support of entrepreneurial activity?

Can we collectively capitalize on the export potential of the region's entrepreneurship development expertise by creating a centre of excellence approach?

Do we have the **right evaluation frameworks** in place to measure progress towards achieving our long-term vision and objectives?